

Message Text

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46

ACTION TRSE-00

INFO OCT-01 EUR-25 ISO-00 USSS-00 OIC-04 IO-14 AID-20

CIAE-00 COME-00 EB-11 FRB-03 INR-11 NSAE-00 RSC-01

XMB-07 OPIC-12 SP-03 CIEP-03 LAB-06 SIL-01 OMB-01

AEC-11 CEA-02 DODE-00 FEAE-00 FPC-01 H-03 INT-08 L-03

NSC-07 PM-07 SAM-01 SCI-06 SS-20 STR-08 DLOS-07 COA-02

PRS-01 SY-04 PA-04 USIA-15 DRC-01 CPR-02 OPR-02 M-02

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FM AMEMBASSY OSLO

TO SECSTATE WASHDC 8721

INFO AMEMBASSY LONDON

C O N F I D E N T I A L OSLO 4219

E.O. 11652: GDS

TAGS: ENRG, EFIN, NO

SUBJECT: REQUEST FOR HIGH LEVEL APPOINTMENT FOR FINACCE MINISTER
KLEPPE

REF: OSLO 792

1. FINANCE MINISTER KLEPPE WILL BE THE NORWEGIAN DELEGATE TO
IMF/IBRD ANNUAL MEETING IN WASHINGTON BEGINNING SEPTEMBER 29.
I STRONGLY URGE THAT APPOINTMENTS BE MADE FOR HIM WHILE HE IS
IN WASHINGTON TO SEE DEPUTY SECRETARY INGERSOLL AND UNDER
SECRETARY OF THE TREASURY BENNETT. MEETING WITH INGERSOLL
WOULD PROVIDE AN OPPORTUNITY TO STRESS IMPORTANCE WE ATTACH TO
THE IEP IN OUR BROAD STRATEGIC POLICY FOR THE WEST AND TO
EMPHASIZE THE SIGNIFICANCE WE ATTACH TO NORWEGIAN PARTICIPATION
IN IT. MEETING WITH BENNETT WOULD ALSO HELP IN THIS REGARD
AND WOULD PROVIDE AN OPPORTUNITY TO DISCUSS INVESTMENT IN THE U.S.

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OF REVENUE FROM NORWAY'S NORTH SEAL OIL AND GAS, TWO-THIRD OF

WHICH IT IS PLANNED TO INVEST OUTSIDE THE COUNTRY.

2. FINANCE MINISTER KLEPPE IS PROBABLY THE MOST PROMINENT AND INFLUENTIAL MEMBER OF THE BRATTELI CABINET IN DOMESTIC AFFAIRS, AND ONLY FOREIGN MINISTER FRYDENLUND RANKS AHEAD OF HIM IN FOREIGN AFFAIRS. HE IS UNDERSTOOD TO HAVE RESERVATIONS ABOUT NORWEGIAN PARTICIPATION IN THE IEP. HIS MINISTRY LAST YEAR WAS RESPONSIBLE FOR PREPARATION OF A HIGHLY NATIONALISTIC AND RESTRICTIONISH REPORT ON THE DEVELOPMENT OF NORWEGIAN OIL AND GAS (SEE OSLO 729). KLEPPE'S RESERVATIONS REGARDING THE IEP PROBABLY REFLECT HIS CONCERN TO PROTECT THE LABOR PARTY AGAINST NATIONALIST CHARGES OF "GIVING AWAY" NORWEGIAN RESOURCES, AS WELL AS HIS OWN PERSONEL DESIRE TO MAXIMIZE NORWEGIAN SOVEREIGNTY AND OPERATION OF THESE RESOURCES. IT WOULD GREATLY FACILITATE CONSIDERATION OF THE PROGRAM IN NORWAY WHEN IT COMES UP FOR DEBATE IN PARLIMENT, IF KLEPPE HAS BECOME CONVINCED NOT ONLY OF THE IMPORTANCE OF THE IEP FOR WESTERN POLICY, BUT ALSO THAT NORWAY'S CONTRIBUTION IS LIMITED AND STRICTLY DEFINED AND CANNOT SERVE AS A FOOT-IN-THE-DOOR FOR MODIFYING NORWAY'S OIL POLICY OR RESTRICTING NORWAY'S RIGHT TO DISPOSE OF THE BULK OF ITS PETROLEUM RESOURCES AS IT SEES FIT. IF DEPUTY SECRETARY ENGERSOLL CANNOT SEE HIM, I HOPE ASSISTANT SECRETARY ENDERS WILL.

3. NORWAY NOW EXPECTS ITS REVENUE AT 1974 PRICES FROM ITS NORTH SEA OIL AND GAS TO REACH ABOUT \$3 BILLION BY 1980, UP FROM \$2.5 BILLION JUST A FEW MONTHS AGO. THE FINANCE MINISTRY'S OIL REPORT ISSUED EARLIER THIS YEAR PROPOSED THAT NO MORE THAN \$1 BILLION OF THIS AMOUNT SHOULD BE USED IN NORWAY AND THAT THE REST SHOULD BE EMPLOYED ON THE CONTINENTAL SHELF OR ABROAD. NORWAY IS A SMALL COUNTRY AND COULD NOT ABSORB MORE WITHOUT UNACCEPTABLE DISRUPTIONS. AS A CONSEQUENCE, NORWAY IS EXPECTED TO BECOME A SUBSTANTIAL CAPITAL EXPORTER BY THE END OF THE CURRENT DECADE. THE GROUNDWORK FOR INVESTMENT OF THIS CAPITAL IN THE U.S. OUGHT TO BE LAID NOW, AND KLEPPE'S VISIT TO WASHINGTON PROVIDES AN IDEAL OPPORTUNITY TO DO SO.

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4. KLEPPE WILL BRING HIS WIFE WITH HIM AND THEY WILL TRAVEL TO THE MIDWEST TO VISIT RELATIVES FOLLOWING IMF/IBRD MEETING. ANYTHING THAT COULD BE DONE TO FACILITATE VISIT WOULD BE APPRECIATED. LIKE MOST NORWEGIANS, KLEPPES ARE GREAT OUTDOOR AND NATURE ENTHUSIASTS AND OPPORTUNITY TO VISIT SKYLINE DRIVE, FOR EXAMPLE, WHILE THEY ARE IN WASHINGTON WOULD PROBABLY BE PARTICULARLY APPRECIATED.

BYRNE

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